

## Signing of Japanese ODA Loan Agreement with Cambodia: Supporting improvements to the Southern Economic Corridor, a major arterial for the Mekong Region, and contributing to economic growth in Cambodia

On March 30, the Japan International Cooperation Agency (JICA) signed a loan agreement (L/A) with the Government of the Kingdom of Cambodia in Phnom Penh, the capital city, to provide a Japanese ODA loan of up to 11.136 billion yen for the National Road No.5 Improvement Project (Battambang-Sri Sophorn Section)(II).

The project will repair and widen the roadway section between Battambang and Sri Sophorn on National Road No. 5, which connects Phnom Penh and the Thai border, and construct a bypass that avoids the Battambang and Sri Sophorn city roads. The loan funds will be allocated to public works for the repair and widening of the existing roadway, the construction of the bypass and the like, and consulting services.

Since conflict ended in 1991, progress has been made in repairing the transportation infrastructure of Cambodia with assistance from the international community, including Japan, the World Bank and the Asian Development Bank. Nevertheless, the country faces deterioration in stopgap repairs made after the conflict and inadequate road width, and as economic development is expected to bring an increase in the flow of domestic and international goods, repairing and widening existing roads is a priority. Of such roads requiring improvement, National Road No. 5 is a trunk road connecting major cities in Cambodia and is expected to function as a major industrial arterial for the Mekong Region as a part of the Asian Highway [1] and the Southern Economic Corridor [2], and Japan has provided continuous support for improvements to the road.



signing ceremony

The project will strengthen the transportation capacity and improve the transportation efficiency between Battambang, the second largest city in Cambodia, and Sri Sophorn, a key transportation location, and is expected to result in 2.6 times the number of vehicles passing along the road. Additional measures such as a center median are also expected to contribute to transportation safety.

A Japanese ODA loan (signed in May 2013 for 8.852 billion yen) was provided for stage I of this project, and this loan is for stage II.

- 1: The Asian Highway is a network connecting 32 countries in Asia with a total length of approximately 140,000 kilometers.
- 2: The international trunk road connecting Ho Chi Minh City (Vietnam), Phnom Penh (Cambodia) and Bangkok (Thailand).

### 1. Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
National Road No.5 Improvement Project (Battambang-Sri Sophorn Section)(II)	11,136	0.01	0.01	40	10	General, untied

### 2. Executing Agency

Ministry of Public Works and Transport

Address: Norodom Boulevard, Phnom Penh, Cambodia

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### 3. Planned Implementation Schedule

(1) Completion of project: May 2020 – when the facilities are put into service

(2) Issuing of letters of invitation for consulting services (including detailed design work): Consultants have already been hired

(3) Tender announcement of procurement package for international competitive bidding on project construction: Already contracted